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**Financing of the United Nations Transitional Administration in East Timor**

# Financial performance report of the United Nations Transitional Administration in East Timor for the period from 1 December 1999 to 30 June 2000

## Report of the Secretary-General

*Summary*

The present report contains the financial performance report of the United Nations Transitional Administration in East Timor (UNTAET) for the period from 1 December 1999 to 30 June 2000. The General Assembly, by its resolution 54/246 B of 7 April 2000, appropriated the amount of $350 million gross ($341,084,300 net) for the period, inclusive of the amount of $200 million authorized by the Assembly in its resolution 54/246 A of 23 December 1999.

Expenditures for the period totalled $292,010,000 gross ($287,968,200 net), resulting in an unencumbered balance of $57,990,000 gross ($53,116,100 net).

The unencumbered balance was primarily attributable to the delayed deployment of international staff, which resulted in a higher vacancy rate, reduced requirements under air operations and lower requirements for utilities, construction/prefabricated buildings, communications equipment and transport of contingent-owned equipment.

The action to be taken by the General Assembly in connection with the financing of the mission is set out in paragraph 17 of the present report.

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# Contents


| | | Paragraphs | Page |
|---|---|---|---|
| I. | Introduction | 1–6 | 3 |
| II. | Implementation of the budget | 7–11 | 3 |
| III. | Financial performance report for the period from 1 December 1999 to 30 June 2000 | 12–13 | 5 |
| IV. | Application of article IV of the Financial Regulations of the United Nations | 14–16 | 6 |
| V. | Action to be taken by the General Assembly at its fifty-fifth session | 17 | 7 |
| Annexes | | | |
| I. | Financial performance report for the period from 1 December 1999 to 30 June 2000: summary statement | | 8 |
| II. | Supplementary information on significant variances | | 10 |
| III. | Planned and actual deployment of military and civilian personnel for the period from 1 December 1999 to 30 June 2000 | | 19 |
| IV. | Apportionment and expenditure for the period from 1 December 1999 to 30 June 2000 | | 22 |

# I. Introduction

1. The Security Council, by its resolution 1272 (1999) of 25 October 1999, established the United Nations Transitional Administration in East Timor (UNTAET) for an initial period until 31 January 2001.

2. The Secretary-General, in his report of 29 November 1999 (A/54/236/Add.1), submitted a request for commitment authority, with assessment, in the amount of $205.4 million to meet the most immediate requirements of UNTAET, pending submission of the detailed budget to the General Assembly.

3. The General Assembly, by its resolution 54/246 A of 23 December 1999, authorized the Secretary-General to enter into commitments in an amount not exceeding $200 million for the initial requirements of the mission. By the same resolution, the Assembly decided to apportion that amount among Member States.

4. The Secretary-General's detailed budget for the establishment and operation of UNTAET for the period from 1 December 1999 to 30 June 2000, contained in document A/54/769 of 7 March 2000, amounted to $386,341,400 gross ($377,425,700 net), inclusive of the $200 million commitment authority granted by the General Assembly. It was based on the phased deployment of the authorized strength of 200 military observers, 8,950 contingent personnel (taking into account the transition of troops from the International Force in East Timor (INTERFET) during the month of February 2000), 1,640 civilian police (including two rapid-reaction units and a marine police unit) and a civilian establishment of 1,185 international staff, 13 National Officers, 1,892 local staff and 486 United Nations Volunteers.

5. The Advisory Committee on Administrative and Budgetary Questions, in paragraph 42 of its report on the financing of UNTAET dated 17 March 2000 (A/54/804), recommended that the General Assembly appropriate the amount of $350 million for the period from 1 December 1999 to 30 June 2000, inclusive of the amount of $200 million authorized by the Assembly in its resolution 54/246 A. In addition, the Advisory Committee recommended that the Assembly authorize the assessment of the amount of $150 million for the period from 1 December 1999 to 30 June 2000, taking into account the amount of $200 million already assessed on Member States in accordance with resolution 54/246 A.

6. The General Assembly, by its resolution 54/246 B of 7 April 2000, appropriated the amount of $350 million gross ($341,084,300 net) for the establishment and maintenance of UNTAET for the period from 1 December 1999 to 30 June 2000, inclusive of the amount of $200 million authorized by the Assembly in its resolution 54/246 A. The balance of the total appropriation has been assessed on Member States.

# II. Implementation of the budget

7. Information on the establishment and operations of UNTAET and on the situation on the ground during the period under review is contained in the reports of the Secretary-General to the Security Council of 4 October 1999 (S/1999/1024), 26 January 2000 (S/2000/53) and 8 February 2000 (S/2000/53/Add.1) and in his letters of 29 December 1999 (S/1999/1294) and 25 January 2000 (S/2000/62).

8. During the period under review, UNTAET was established as an integrated and multidimensional operation to provide a transitional administration for East Timor in close consultation with the East Timorese and focused on local capacity-building, while establishing and overseeing the development of provisional self-governing institutions capable of providing basic public services and a fully functioning administration of justice. In addition, UNTAET was tasked to oversee the provision and coordination of humanitarian and emergency rehabilitation assistance, as well as to provide security and maintain law and order throughout the Territory.

9. During the reporting period, high vacancy rates for civilian personnel impacted on the implementation of the budget. As compared with the projected vacancy rate of 30 per cent for both international and local staff, the actual average vacancy rates were 60 and 40 per cent, respectively. The vacancy rate for international staff limited the efficacy of the support provided by the mission administration in that longer periods were required to provide logistical support to the substantive areas of the mission, particularly at the district level. Vacancies in the East Timor Transitional Administration (ETTA) necessitated the employment of consultants for specialized government functions. Recruitment against 13 National Officer posts authorized had to be carefully considered and managed in order not to inadvertently create disequilibrium arising from variances in compensation between professional civil servants working for ETTA and those employed by UNTAET.

10. The reduced level of helicopter and fixed-wing operations also had a significant impact on budget implementation. Substantial under-expenditure under this heading resulted from delays in the identification of Governments and/or commercial contractors whose equipment met the specific technical requirements of the mission. Subsequently, the mission reconfigured its helicopter operation requirements from 24 to 22 in the 2000/01 financial period.

11. The substantial variances between the initial budgetary assumptions as compared with actual expenditures during the period and the resulting unencumbered balance of some $57.9 million, representing 16.6 per cent of the approved budget, should be viewed in the following context. The establishment of UNTAET occurred within several months of the establishment of the United Nations Interim Administration Mission in Kosovo (UNMIK). During the same period, advance start-up activities for the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) were also authorized. These rapid developments severely tested the capacity and capability of the Department of Peacekeeping Operations of the Secretariat, as well as the respective newly established field mission administrations, to cope with the demands of these complex, multidisciplinary missions. While the initial budget of UNTAET was formulated on the basis of initial planning and technical surveys and took account of the transfer/handover of military and civilian personnel as well as material assets from the United Nations Mission in East Timor (UNAMET), it was necessary in the course of implementing UNTAET activities during the period to adjust its resource requirements in the light of initial operating experience and needs. Requisite adjustments were made to the budget for the current 2000/01 financial period, taking into account the initial pattern of expenditure and experience gained.

# III. Financial performance report for the period from 1 December 1999 to 30 June 2000

12. As indicated in table 1 below, from the appropriation of $350 million gross ($341,084,300 net) for the period from 1 December 1999 to 30 June 2000, expenditures amounted to $292,010,000 gross ($287,968,200 net), inclusive of $159,717,700 in unliquidated obligations. The resulting unutilized balance of $57,990,000 gross ($53,116,100 net) represents some 16.6 per cent of the appropriation. Annex I to the present report contains the financial performance information for the reporting period by budget line item, with supplementary information on significant variances presented in annex II. Annex IV contains a chart showing apportionment and expenditure by main budget group.

Table 1
**Apportionment and expenditure**
(Thousands of United States dollars)

| *Category of expenditure* | *Apportionment* | *Expenditure* [a] | *Variance* |
|---|---|---|---|
| Military personnel | 99 981.4 | 98 689.6 | 1 291.8 |
| Civilian personnel | 85 365.9 | 62 967.7 | 22 398.2 |
| Operational requirements | 154 853.8 | 125 699.5 | 29 154.3 |
| Other programmes | 883.2 | 611.4 | 271.8 |
| United Nations Logistics Base at Brindisi | - | - | - |
| Support account for peacekeeping operations | - | - | - |
| Staff assessment | 8 915.7 | 4 041.8 | 4 873.9 |
| **Gross requirements** | **350 000.0** | **292 010.0** | **57 990.0** |
| Income from staff assessment | (8 915.7) | (4 041.8) | (4 873.9) |
| **Net requirements** | **341 084.3** | **287 968.2** | **53 116.1** |
| Voluntary contributions in kind (budgeted) | - | - | - |
| Voluntary contributions in kind (non-budgeted) | - | - | - |
| **Total resources** | **350 000.0** | **292 010.0** | **57 990.0** |

[a] Includes an amount of $159,717,700 in unliquidated obligations.

13. Information on the deployment of military and civilian personnel during the reporting period is provided in table 2 below and in annex III to the present report.

Table 2
**Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 December 1999 to 30 June 2000**

| *Personnel category* | *Authorized strength* | *Actual strength (average)* | *Vacancy rate (percentage)* |
|---|---|---|---|
| Military observers | 200 | 190 | 5 |
| Military contingents | 8 950 | 5 496 | 39 |
| Civilian police | 1 640 | 860 | 48 |
| International staff | 1 185 | 474 | 60 |
| National officers | 13 | - | 100 |
| Local staff | 1 892 | 1 139 | 40 |
| United Nations Volunteers | 486 | 211 | 57 |

# IV. Application of article IV of the Financial Regulations of the United Nations

14. In a report to the General Assembly at its thirty-third session (A/C.5/33/45) on the United Nations Emergency Force/United Nations Disengagement Observer Force (UNEF/UNDOF), the Secretary-General indicated, inter alia, that the amounts owed to troop-contributing Governments could not be paid in the time frame envisaged under financial regulation 4.3. That situation continues to be experienced in current peacekeeping operations. Consequently, over the years the Assembly has adopted special arrangements whereby appropriations required in respect of obligations owed to Governments providing contingents and/or logistic support to the mission have been retained beyond the period stipulated under financial regulations 4.3 and 4.4.

15. In the case of UNTAET, as in the case of UNEF/UNDOF and other more recent peacekeeping operations, including the United Nations Mission in the Central African Republic (MINURCA), there are currently certain amounts obligated for reimbursement to Governments for death and disability compensation, contingent-owned equipment and self-sustainment that will be required for the settlement of claims.

16. Accordingly, it is proposed that special arrangements with regard to article IV of the Financial Regulations of the United Nations similar to those contained in the annex to General Assembly resolution 53/238 of 8 June 1999 related to MINURCA be applied to UNTAET, as follows:

(a) At the end of the 12-month period provided for in regulation 4.3, any unliquidated obligations of the financial period in question relating to goods supplied and services rendered by Governments for which claims have been received or which are covered by established reimbursement rates shall be transferred to accounts payable; such accounts payable shall remain recorded in the special account until payment is effected;

(b) (i) Any other unliquidated obligations of the financial period in question owed to Governments for provision of goods and services rendered but not yet verified, as well as other obligations owed to

Governments, for which claims have not yet been received, shall remain valid for an additional period of four years following the end of the 12-month period provided for in regulation 4.3;

(ii) Claims received during this four-year period as well as approved verification reports shall be treated as provided under subparagraph (a) above, if appropriate;

(iii) At the end of the additional four-year period, any unliquidated obligations shall be cancelled and the then-remaining balance of any appropriations retained therefor shall be surrendered.

## V. Action to be taken by the General Assembly at its fifty-fifth session

17. The action to be taken by the General Assembly in connection with the financing of UNTAET is as follows:

(a) **A decision on the treatment of the unencumbered balance of $57,990,000 gross ($53,116,100 net) for the period from 1 December 1999 to 30 June 2000**;

(b) **A decision that the special arrangements as regards article IV of the Financial Regulations of the United Nations, as detailed in paragraph 16 above, be applied to UNTAET**.

# Annex I

## Financial performance report for the period from 1 December 1999 to 30 June 2000: summary statement

*(Thousands of United States dollars)*

| *Category of expenditure* | *(1)* *Apportionment* [a] | *(2)* *Non-recurrent expenditures* | *(3)* *Total expenditures (inclusive of non-recurrent expenditures)* | *(4) = (1 - 3)* *Variance* |
|---|---|---|---|---|
| **I. Military personnel** | | | | |
| 1. Military observers | 4 574.2 | - | 4 610.1 | ( 35.9) |
| 2. Military contingents | 62 328.9 | - | 61 005.8 | 1 323.1 |
| 3. Other requirements pertaining to military personnel | | | | |
| (a) Contingent-owned equipment | 16 306.8 | - | 18 916.8 | (2 610.0) |
| (b) Self-sustainment | 15 264.6 | - | 12 650.0 | 2 614.6 |
| (c) Death and disability compensation | 1 506.9 | - | 1 506.9 | - |
| **Subtotal, line 3** | 33 078.3 | - | 33 073.7 | 4.6 |
| **Total, category I** | **99 981.4** | **-** | **98 689.6** | **1 291.8** |
| **II. Civilian personnel** | | | | |
| 1. Civilian police | 20 135.0 | - | 20 173.0 | ( 38.0) |
| 2. International and local staff | 57 857.1 | - | 36 582.7 | 21 274.4 |
| 3. United Nations Volunteers | 7 373.8 | - | 6 212.0 | 1 161.8 |
| 4. Government-provided personnel | - | - | - | - |
| 5. Civilian electoral observers | - | - | - | - |
| **Total, category II** | **85 365.9** | **-** | **62 967.7** | **22 398.2** |
| **III. Operational requirements** | | | | |
| 1. Premises/accommodation | 23 935.1 | 10 646.7 | 21 476.6 | 2 458.5 |
| 2. Infrastructure repairs | 2 990.0 | - | 3 310.4 | ( 320.4) |
| 3. Transport operations | 19 592.8 | 14 280.8 | 19 162.4 | 430.4 |
| 4. Air operations | 37 400.2 | 622.9 | 18 310.6 | 19 089.6 |
| 5. Naval operations | 600.0 | - | 492.1 | 107.9 |
| 6. Communications | 24 175.7 | 17 983.6 | 22 144.0 | 2 031.7 |
| 7. Other equipment | 16 699.0 | 15 649.3 | 15 746.2 | 952.8 |
| 8. Supplies and services | 5 461.0 | - | 5 154.1 | 306.9 |
| 9. Air and surface freight | | | | |
| (a) Transport of contingent-owned equipment | 19 100.0 | - | 12 959.4 | 6 140.6 |
| (b) Commercial freight and cartage | 4 900.0 | - | 6 943.7 | (2 043.7) |
| **Subtotal, line 9** | 24 000.0 | - | 19 903.1 | 4 096.9 |
| **Total, category III** | **154 853.8** | **59 183.3** | **125 699.5** | **29 154.3** |

| *Category of expenditure* | *(1)* *Apportionment* [a] | *(2)* *Non-recurrent expenditures* | *(3)* *Total expenditures (inclusive of non-recurrent expenditures)* | *(4) = (1 - 3)* *Variance* |
|---|---|---|---|---|
| **IV. Other programmes** | | | | |
| 1. Election-related supplies and services | - | - | - | - |
| 2. Public information programmes | 883.2 | 258.5 | 611.4 | 271.8 |
| 3. Training programmes | - | - | - | - |
| 4. Mine-clearing programmes | - | - | - | - |
| 5. Assistance for disarmament and demobilization | - | - | - | - |
| **Total, category IV** | **883.2** | **258.5** | **611.4** | **271.8** |
| **V. United Nations Logistics Base at Brindisi** | - | - | - | - |
| **VI. Support account for peacekeeping operations** | - | - | - | - |
| **VII. Staff assessment** | **8 915.7** | - | **4 041.8** | **4 873.9** |
| Gross requirements, categories I-VII | 350 000.0 | 59 441.8 | 292 010.0 | 57 990.0 |
| **VIII. Income from staff assessment** | **(8 915.7)** | - | **(4 041.8)** | **(4 873.9)** |
| Net requirements, categories I-VIII | 341 084.3 | 59 441.8 | 287 968.2 | 53 116.1 |
| **IX. Voluntary contributions in kind (budgeted)** | - | - | - | - |
| **X. Voluntary contributions in kind (non-budgeted)** | - | - | - | - |
| **Total** | **350 000.0** | **59 441.8** | **292 010.0** | **57 990.0** |

[a] Based on appropriation provided by General Assembly resolution 54/246 B

# Annex II

## Supplementary information on significant variances

### Military personnel

*Apportionment: $99,981,400; expenditure: $98,689,600; variance: $1,291,800*

1. The unutilized balance of $1,291,800 under this heading was attributable to the delayed deployment of contingent personnel and formed police units ($1,323,100) and lower requirements for self-sustainment ($2,614,600), which was offset by additional requirements for military observers ($35,900) and contingent-owned equipment ($2,610,000).

#### Military observers

*Apportionment: $4,574,200; expenditure: $4,610,100; variance: ($35,900)*

2. The additional requirement of $35,900 under this heading resulted primarily from the actual number of one-way trips (296) being higher than the provision for 50 one-way trips for the rotation of 25 personnel. Actual travel costs averaged $1,150 per one-way trip, as compared with the budgeted provision of $2,500.

#### Military contingents

*Apportionment: $62,328,900; expenditure: $61,005,800; variance: $1,323,100*

3. The unutilized balance of $1,323,100 under this heading was mainly attributable to the initial delay in deployment of troops and formed civilian police units, resulting in unspent amounts under standard troop cost reimbursement, rations, daily allowance and clothing and equipment allowance.

4. Provisions for standard troop cost reimbursement, daily allowance and clothing and equipment allowance were based on an estimated total of 38,100 person-months in connection with the transition/handover of contingent personnel from the International Force in East Timor (INTERFET) and the phased deployment of additional troops for the period from February to June 2000. The initial deployment delays and the lower average number of personnel deployed during the period resulted in actual requirements totalling 36,521 person-months, thereby resulting in unspent balances under these budget line items.

5. Unspent amounts were also realized under rations, owing to the initial delay in deployment and the lower average number of troops deployed during the period. Against the provision for rations of $12.50 per person per day, actual requirements averaged $12.75 per person per day, on the basis of the provision of rations under letter-of-assist arrangements for the period up to April 2000 and under a commercial contract for the period from May to June 2000.

6. The unspent balance was partially offset by additional requirements resulting from the higher travel costs for the deployment of 2,869 contingent personnel. Compared with the one-way provision of $900 per person, the actual average travel cost was $3,188 per person for 196 military officers by commercial flight and

$1,539 per person for the deployment of 2,673 personnel and repatriation of 67 personnel by charter flight.

**Other requirements pertaining to military personnel**

*Apportionment: $33,078,300; expenditure: $33,073,700; variance: $4,600*

7. The unutilized balance of $4,600 under this heading resulted from lower actual requirements for self-sustainment, owing to the initial delay in the deployment of contingent personnel. However, the unutilized balance was almost entirely offset by additional requirements for contingent-owned equipment, based on the completion of memoranda of understanding with troop-contributing Governments.

## Civilian personnel

*Apportionment: $85,365,900; expenditure: $62,967,700; variance: $22,398,200*

8. The unutilized balance of $22,398,200 under this heading resulted from reduced requirements under international and local staff ($21,274,400) and United Nations Volunteers ($1,161,800), which was offset in part by additional requirements under civilian police ($38,000).

**Civilian police**

*Apportionment: $20,135,000; expenditure: $20,173,000; variance: ($38,000)*

9. Based on the phased deployment of the authorized strength of 1,350 civilian police (excluding 290 police in formed units), the Secretary-General had estimated requirements for mission subsistence allowance at $21,347,700. However, this estimate was adjusted downwards by 25 per cent to $16,126,800 in order to implement the overall reduction by the General Assembly of the Secretary-General's proposed budget for UNTAET of $386.3 million gross to $350 million gross. Compared with the adjusted apportionment, the actual expenditure of $17,199,200 for mission subsistence allowance resulted in the over-expenditure of $1,072,400. This over-expenditure was offset, to a large extent, by unutilized balances under travel and clothing and equipment allowance owing to lower travel costs and the lower number of personnel who completed a six-month period of service.

**International and local staff**

*Apportionment: $57,857,100; expenditure: $36,582,700; variance: $21,274,400*

10. The unutilized balance of $21,274,400 under this heading was primarily attributable to the higher actual vacancy rate of 60 per cent for international staff against the budgeted vacancy factor of 30 per cent. Factors which contributed to the higher vacancy rate included: (a) the relatively short duration of seven months in the financial period against the average time span of three months for completion of the recruitment process; (b) the lack of adequate accommodation, transportation and other basic services in the mission area, which hindered a more rapid deployment of personnel; (c) the paucity of qualified personnel with experience in the requirements of a start-up mission; and (d) vacancies within the Division of Administration which

further contributed to delays in recruitment of personnel for the substantive areas of the mission.

11. The actual average vacancy rate experienced for local staff during the period under review was 40 per cent, as compared with budgetary provision which assumed a vacancy factor of 30 per cent.

12. For the reason explained in paragraph 9 above, none of the 13 National Officer posts were encumbered during the period.

13. The unutilized balance under this heading was partially offset by unbudgeted additional requirements totalling $215,700 for the cost of travel and services of a total of 78 consultants with expertise in the various areas of governance and public administration. Unbudgeted expenditures amounting to $526,000 were also incurred for daily paid labour in the mission area to provide logistical support in the initial establishment of the mission.

14. Compared with the provision of $700,000, actual expenditures incurred for travel of staff amounted to $964,900. The over-expenditure of $264,900 was attributable to the following: (a) participation of staff from UNTAET and the Department of Peacekeeping Operations at the donor conferences held in Tokyo in December 1999 (including representatives of the National Council of Timorese Resistance (CNRT)) and Lisbon in June 2000 ($129,100); (b) travel of eight staff members comprising the Selection and Assistance Team to Fiji, Ghana, Kenya, the Niger, Nigeria, Thailand and Zimbabwe for the identification of civilian police observers ($39,500); (c) the ad hoc financing in accordance with past practice of the cost of travel of some participants to the meeting of the Phase V Working Group on the reimbursement for contingent-owned equipment in January 2000 ($13,100); and (d) participation of UNTAET staff in training courses in various fields held at the United Nations Logistics Base at Brindisi ($45,300).

15. The over-expenditure under travel of staff was also attributable to higher requirements for travel by the Deputy Special Representatives and other senior UNTAET staff to countries in the region of $109,700, compared with the provision of $31,200 in the budget. In addition, requirements for the travel of staff from the Field Administration and Logistics Division of the Department of Peacekeeping Operations for planning, political consultations, administrative and technical assistance, procurement and logistical support amounted to $371,400, exceeding the budgeted estimate of $52,200.

**United Nations Volunteers**

*Apportionment: $7,373,800; expenditure: $6,212,000; variance: $1,161,800*

16. The unutilized balance of $1,161,800 under this heading was attributable to the initial delay in the deployment of United Nations Volunteers and the lower number consequently deployed during the period. Compared with the budgeted vacancy factor of 15 per cent, the actual average vacancy rate was 57 per cent. However, the actual expenditure recorded is comparably higher, owing to the fact that the unliquidated obligations include resources earmarked for Volunteers who were not deployed during the subject period.

## Operational requirements

*Apportionment: $154,853,800; expenditure: $125,699,500; variance: $29,154,300*

17. The unutilized balance of $29,154,300 under this heading resulted from reduced requirements under premises/accommodation ($2,458,500), transport operations ($430,400), air operations ($19,089,600), naval operations ($107,900), communications ($2,031,700), other equipment ($952,800), supplies and services ($306,900) and air and surface freight ($4,096,900), which were offset in part by additional requirements under infrastructure repairs ($320,400).

### Premises/accommodation

*Apportionment: $23,935,100; expenditure: $21,476,600; variance: $2,458,500*

18. The unspent balance of $2,458,500 under this heading was mainly attributable to the lower cost of requirements under construction/prefabricated buildings. As planned in the budget, a total of 720 Kobe houses (383 K3 and K6 units and 337 D6 units) were procured at an actual average cost of $4,270 per unit, as compared with the budgeted estimate of $10,083 per unit, including freight. In addition, savings were also realized as a result of the construction of only 3 (in the port of Dili) of the planned 10 customs and immigration offices, and the cancellation of site preparation for transit accommodation of 200 troops in Dili and Baucau and the helicopter landing zones in Dili and regional areas, which, upon review, were determined to be no longer required. Owing to the lower deployment of personnel in the Engineering Section, some planned projects were not implemented during the period, resulting in unspent amounts under alteration and renovation of premises. Savings were also realized under maintenance services because of reduced requirements for contractual services, owing to the fact that most services, such as routine and preventive maintenance services, and maintenance of air-conditioning, ventilation and heating systems, were provided by UNTAET personnel.

19. The unutilized balance under this heading was partially offset by additional requirements under rental of premises ($2,743,800), owing to delays in and erroneous recording under miscellaneous income of the recovery from UNTAET personnel of their share of the rental cost ($54.50 per person per day) of temporary accommodation provided in two vessels. Actual requirements for maintenance supplies amounting to $1,700,100 exceeded the provision of $150,000 by $1,550,100. Some $910,100 in supplies and materials requirements related to the alteration/renovation of premises, with the balance relating to requirements for normal maintenance supplies.

### Infrastructure repairs

*Apportionment: $2,990,000; expenditure: $3,310,400; variance:($320,400)*

20. The additional requirement of $320,400 under this heading was attributable to higher actual requirements for the repair of major supply routes and the requirement to upgrade the Suai airstrip. The latter had not been foreseen at the time of the preparation of the budget.

**Transport operations**

*Apportionment: $19,592,800; expenditure: $19,162,400; variance: $430,400*

21. The unutilized amount of $430,400 under this heading resulted from a combination of factors. On the one hand, savings resulted from the lower actual cost of some vehicles and reduced requirements for fuel and insurance, owing to the lower number of vehicles actually deployed during the period. The resource provision was based on the transfer of 535 vehicles from the United Nations Mission in East Timor (UNAMET) and the purchase of 653 vehicles, for a total vehicle establishment of 1,188 vehicles. During the period, 415 vehicles were transferred from UNAMET and 675 vehicles were procured, for a total establishment of 1,090 vehicles. However, by the end of the financial period, 216 vehicles that had been purchased had not yet been delivered, resulting in a reduced establishment of 874 vehicles.

22. On the other hand, additional requirements of $682,700 arose for the repair and maintenance of 259 vehicles transferred from UNAMET, which had sustained damage during the 1999 hostilities. Additional requirements of $85,100 for the rental of vehicles were also necessary to meet the mission's initial transport requirements, pending the receipt of new vehicles. Unspent balances for petrol, oil and lubricants were offset in part by the inclusion of charges for generator fuel.

**Air operations**

*Apportionment: $37,400,200; expenditure: $18,310,600; variance: $19,089,600*

23. The unutilized balance of $19,089,600 under this heading was attributable to reduced requirements under helicopter operations ($15,291,500), fixed-wing aircraft ($3,891,300) and air crew subsistence allowance ($14,200), which were offset in part by additional requirements under other air operations requirements ($107,400).

24. The unspent amount of $15,291,500 under helicopter operations resulted from the fact that five (three air-mobile commercial and two heavy commercial) of the 24 helicopters budgeted for were not deployed and also from the fact that the actual cost of hire/charter for 12 other helicopters (seven light military (four Alouette III and three Bell 206), four medium military (HUH-1H) and one medium commercial (Bell 212 AME)) was lower than originally estimated.

25. Savings under helicopter operations were also realized from actual hours flown (4,477) being lower than the original estimate (10,940), representing 41 per cent of the total planned hours. In addition, savings were realized from reduced requirements for aviation fuel, although these savings were offset in part by the inclusion of fuel requirements for fixed-wing aircraft. Unspent amounts under positioning/depositioning costs were attributable to the fact that these costs were not required for helicopters that were previously deployed in connection with INTERFET and already in the mission area.

26. However, the unutilized amounts were offset in part by the hire/charter of two military helicopters (one light (Lama) and one heavy (MI-26)) to meet operational requirements, for which no provision had been made in the budget. Additional requirements under painting/preparation were related to the deployment of new helicopters, while additional requirements for liability and war-risk insurance

resulted from actual requirements for military and commercial helicopters, at the rates of $13,500 and $4,000 per helicopter per year, respectively.

27. The unutilized balance of $3,891,300 under fixed-wing operations was attributable to the delayed deployment and lower actual hire/charter costs of three (one light and two medium) aircraft. While provision had been made for the deployment of these aircraft for the seven-month period from December 1999 to June 2000, one light aircraft was deployed only in April 2000 while the two medium aircraft were deployed in late February 2000. Against the provision of $2,700 per base hour and $900 per extra hour for one light aircraft, actual charter costs were $1,967 per base hour and $756 per extra hour. For two medium aircraft, actual hire costs were $2,053 per base hour for 50 base hours per aircraft per month, as compared with the budget estimate of $4,500 per base hour for 60 base hours and $1,100 per extra hour per aircraft per month.

28. Savings were realized from the lower actual hours flown (1,289), representing 39 per cent of the total of 3,325 planned hours. Savings under aviation fuel were attributable to the fact that, for the most part, fuel charges were included under helicopter operations.

29. Unutilized balances under air crew subsistence allowance resulted from lower requirements for overnight stays of air crew during official travel.

30. The unutilized balance under this heading was offset in part by additional requirements of $107,400 for landing fees and ground handling services at Darwin International Airport.

**Naval operations**

*Apportionment: $600,000; expenditure: $492,100; variance: $107,900*

31. The unutilized balance of $107,900 under this heading was primarily attributable to lower hire/charter cost of two vessels provided under letter-of-assist arrangements. Against a provision of $480,000 for these two vessels, actual requirements amounted to $129,000 for the period from February to 30 June 2000.

32. However, these savings were offset in part by higher actual requirements for the lease of two landing craft under commercial arrangements. Compared with the provision of $120,000 for a 30-day lease for these landing craft, actual expenditure totalled $292,800 for the rental of one vessel for 56 days and the other vessel on an "as and when required" basis. Additional costs of $70,300 were also incurred to meet the need to lease one barge for the three-month period from 1 March to 31 May 2000 for additional landing quay space at Dili port, requirements for which had not been foreseen during the preparation of the budget.

**Communications**

*Apportionment: $24,175,700; expenditure: $22,144,000; variance: $2,031,700*

33. The unspent balance of $2,031,700 under this heading resulted mainly from the fact that, with the exception of two interlinked trunking systems, no UHF equipment was purchased, in the light of the review of the UNTAET communications infrastructure, which concluded that an enhanced VHF network would be sufficient to meet the mission's operational requirements. Savings were

also realized from the exclusion of freight charges totalling $1,980,000 for the acquisition of communications equipment, which had been recorded under commercial freight and cartage. In addition, unutilized balances were realized under commercial communications resulting from reduced requirements for the Transitional Administration's share of the global transponder lease and lower International Maritime Satellite Organization (INMARSAT) charges.

34. However, the unutilized balance was offset in part by additional requirements for the purchase of more satellite and telephone equipment, some items of which were at higher unit costs than the budgeted estimates. Additional requirements of $791,400 for spare parts and supplies were also incurred in connection with the maintenance of the network infrastructure, services for which were provided through a letter-of-assist arrangement, as well as the erroneous recording of $247,100 in charges for the purchase of 150 computers.

**Other equipment**

*Apportionment: $16,699,000; expenditure: $15,746,200; variance: $952,800*

35. The unutilized balance of $952,800 realized under this heading resulted, on the one hand, from reduced requirements for office furniture, observation equipment, petrol tank plus metering equipment, water and septic tanks, medical and dental equipment and refrigeration equipment, which were largely attributable to the transfer of related equipment from UNAMET and the delay in the establishment of UNTAET clinics.

36. On the other hand, additional expenditures of $3,244,500 for data-processing equipment were incurred. As the mission became more fully established, it was determined that initial estimates for the period would not be sufficient to meet the requirements for the mission's information technology infrastructure. Consequently, against the budgeted provisions for the purchase of 1,500 desktop computers, 300 laptop computers and 40 servers, the actual expenditure related to the purchase of 2,400 desktop computers, 500 laptop computers and 75 servers. In addition, a wireless LAN system ($359,700), a back-up system ($102,600) and various software applications ($286,000) were procured, requirements for which had not been foreseen at the time of the preparation of the budget.

37. Moreover, additional requirements of $1,967,400 for generators arose. While the initial assessment of the mission's requirements called for the purchase of 75 new generators, actual purchases totalled 261 generators of various types of capacity, to meet revised operational requirements during the establishment of UNTAET premises throughout the mission area.

38. Additional requirements of $191,700 under miscellaneous equipment were also incurred owing to the inclusion of costs of refrigeration equipment under this budget line item.

**Supplies and services**

*Apportionment: $5,461,000; expenditure: $5,154,100; variance: $306,900*

39. The unutilized balance of $306,900 under this heading resulted from unspent amounts under miscellaneous services ($213,100) and miscellaneous supplies ($93,800).

40. The unspent balance of $213,100 under miscellaneous services was attributable to lower requirements for medical treatment and services resulting from the lower deployment of military and civilian personnel, as well as the absence of expenditure under audit services because no external audit was undertaken during the period under review.

41. However, these savings were offset in part by additional requirements for contractual services owing to higher actual costs of waste disposal services, laundry and grooming services for military personnel and other services. While actual requirements for engineering services were lower than estimated, savings were more than offset by unbudgeted requirements totalling $1,602,000 for the services of technical personnel under a systems contract for communications and information technology support. Owing to the delayed deployment of civilian personnel, the services of these contractual personnel were required for the establishment of the communications and data-processing infrastructure of the mission.

42. The unspent balance was also partially offset by unbudgeted requirements for security services for the office in Darwin ($79,200), licensing fees for the Sun, Progen and Reality systems ($15,800) and official hospitality in connection with the visits of the Presidents of Indonesia and Portugal. Higher requirements for bank charges and other miscellaneous services were also recorded.

43. The unspent balance of $93,800 under miscellaneous supplies was realized from reduced requirements for stationery and office supplies because of the lower deployment of military and civilian personnel as well as lower requirements for field defence stores owing to the fact that these supplies had been previously provided to troops under a self-sustainment basis during the handover from INTERFET to UNTAET. Savings under uniform items, flags and decals were attributable to the use of stock supplies from the Logistics Base at Brindisi. Reduced requirements for operational maps were attributable to the availability of maps previously provided to INTERFET personnel.

44. The unutilized balance was partially offset by additional requirements for medical supplies owing to higher requirements for vaccines, malaria prophylaxis and consumable medical supplies. Additional requirements for quartermaster and general stores were related to higher requirements for cooking gas, police and forensic supplies.

**Air and surface freight**

*Apportionment: $24,000,000; expenditure: $19,903,100; variance: $4,096,900*

45. An unspent balance of $4,096,900 was realized under this heading because requirements for the transport of contingent-owned equipment were lower than budgeted, owing to the previous deployment of some equipment for INTERFET. Savings were also realized from lower actual costs for the shipment of additional

contingent-owned equipment from Bangladesh, Chile, Jordan, Nepal, Pakistan and Portugal.

46. However, such savings were offset in part by additional requirements of $2,043,700 under commercial freight and cartage in connection with the shipment of supplies to the mission area and the inclusion of freight costs for communications and other equipment totalling $2,249,500.

## Other programmes

### Public information programmes

*Apportionment: $883,200; expenditure: $611,400; variance: $271,800*

47. The unspent balance of $271,800 under this heading was attributable to the delay in the deployment of civilian personnel, which in turn delayed the establishment of public information programmes. Consequently, provisions for equipment, materials and supplies and contractual services were not fully utilized.

## Staff assessment

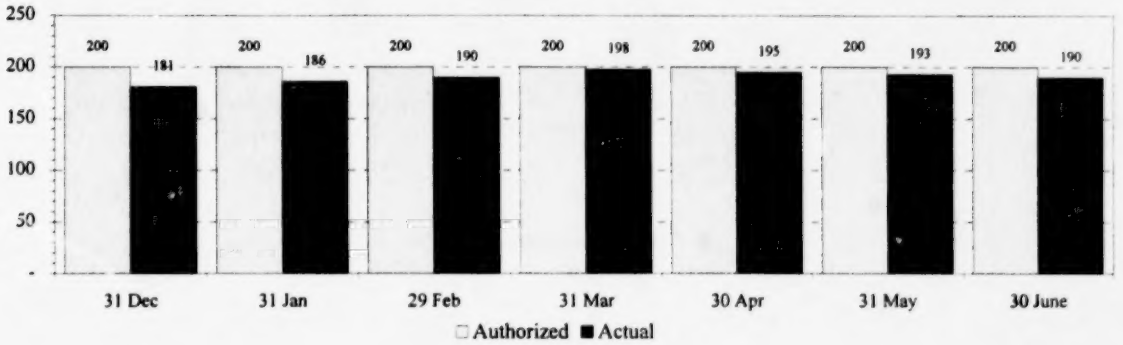
*Apportionment: $8,915,700; expenditure: $4,041,800; variance: $4,873,900*

48. The unutilized balance of $4,873,900 under this heading related to higher vacancy rates for international and local staff during the period under review.

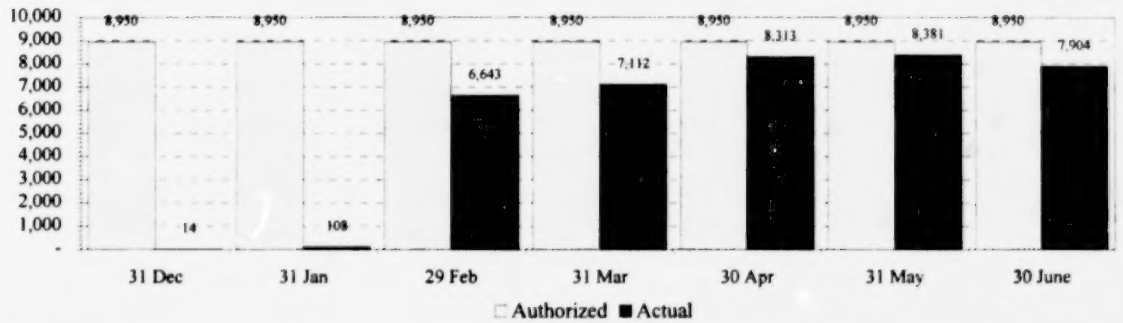
# Annex III

## Planned and actual deployment of military and civilian personnel for the period from 1 December 1999 to 30 June 2000

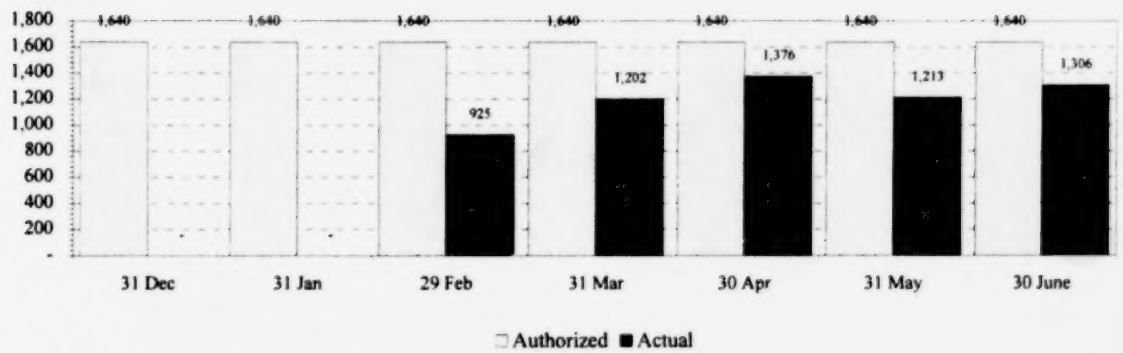
### 1. Military observers



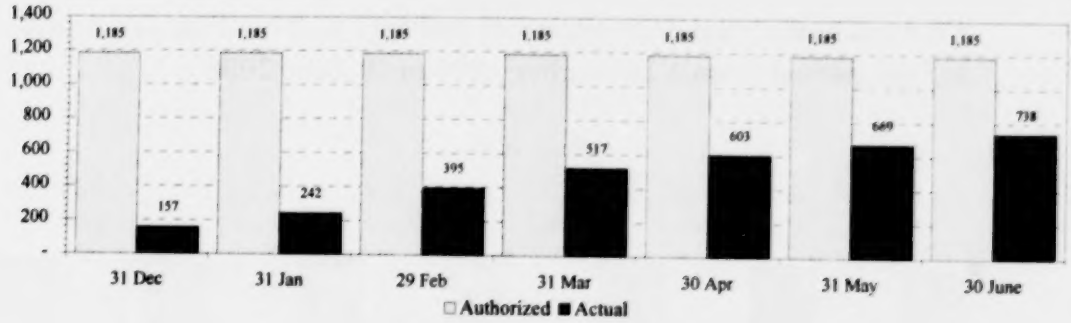

### 2. Military contingents



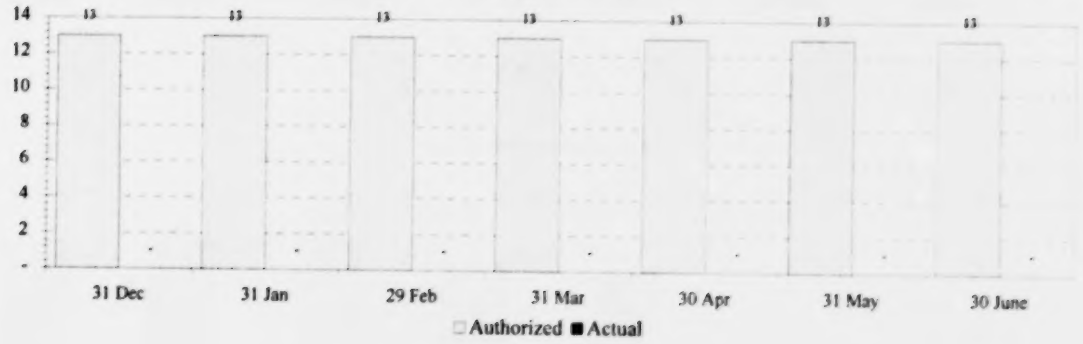

### 3. Civilian police



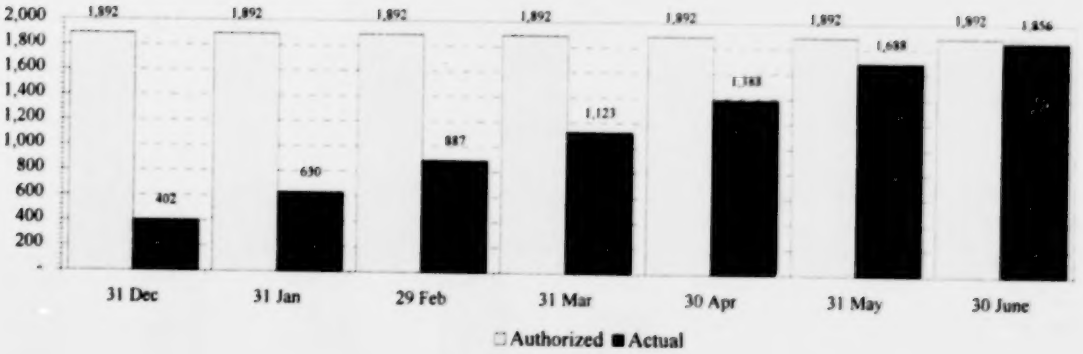
**4. International staff**



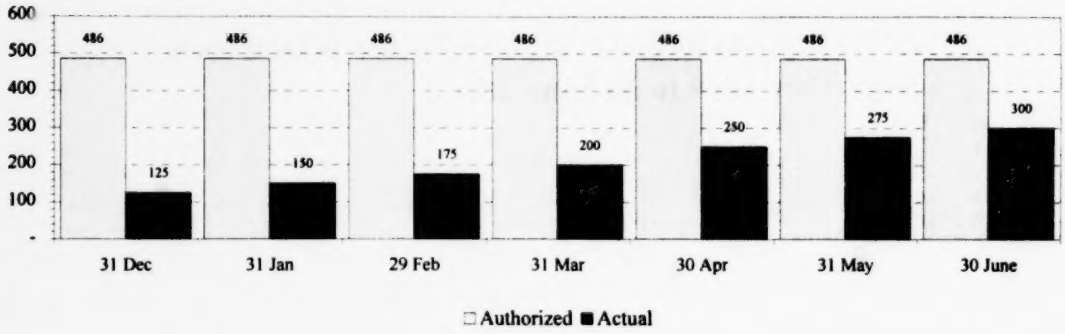

**5. National officers**




**6. Local staff**



## 7. United Nations Volunteers



# Annex IV

## Apportionment and expenditure for the period from 1 December 1999 to 30 June 2000